



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE  
CHIEF DEPUTY

October 18, 2007

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisors Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: J. Tyler McCauley   
Auditor-Controller

Subject: **NOTICE OF INTENT TO EXTEND THROUGH AN INFORMATION  
TECHNOLOGY SUPPORT SERVICES MASTER AGREEMENT  
(ITSSMA) WORK ORDERS FOR CONTINUED DEVELOPMENT AND  
MAINTENANCE ON THE AUDITOR-CONTROLLER'S COMMUNITY  
REDEVELOPMENT AGENCY (CRA) SYSTEM**

This is to advise you of our intent to request the Internal Services Department (ISD) to execute amendments to ITSSMA Work Orders with Pyramid Consulting, Inc. and International Advantage Corporation (IAC) for consultant services supporting the Auditor-Controller's (Auditor) Community Redevelopment Agency (CRA) Project. This request will extend Work Orders N10-0175, N10-0153, N10-0154 and N01-0253 from November 30, 2007 to September 30, 2008 and increase the total amount of the combined Work Orders by \$615,931 for a new maximum amount of \$2,127,628, as detailed in Attachment A. In accordance with ITSSMA guidelines, prior Board notice is required for projects that exceed \$300,000.

**BACKGROUND**

The Auditor has been in the process of enhancing the functionality of its existing CRA application which tracks property value increases due to the redevelopment of blighted areas within the County, calculates the amount of property taxes due to each CRA Agency, and determines the tax revenue loss for each affected taxing entity. This new application provides increased accuracy in distributing CRA property tax revenues and provides CRA agencies with more detailed data to track their CRA revenue.

We notified your Board on March 16, 2007, of our intent to extend the Work Orders from March 30, 2007 through September 30, 2007 to complete the development and implementation phase of the initial Secured and Unsecured Tax modules. Subsequently, with the assistance of ISD, we increased the Work Orders by \$345,702 and completed all the planned implementations on September 30, 2007.

This amendment covers the final phase and ends any further need for ITSSMA support. It extends the Work Orders through September 2008 to ensure full project completion. Any additional maintenance of the new system will be performed by ISD technical developers.

### **SCOPE OF WORK**

Under the direction of the Auditor's project manager, the consultants will continue to work on a time and materials basis in performing the development, maintenance and implementation activities necessary to complete the final phase, including:

- Detail design tasks to modify the existing database structure to add functionality for the Defaulted Tax Roll, specifically:
  - Develop Stable Database Model
  - Views for Reporting Needs
  - Update Data Dictionary
- Initial migration of legacy data
- Development tasks to add the Defaulted Tax Roll revenue, specifically:
  - Coding new programs
  - Testing of the Remittance Advice Document
  - Testing Housekeeping Processes for Database Maintenance
- Systems testing tasks, specifically programming and system fixes
- Post implementation tasks, specifically mapping/procedures testing for Oracle 10g upgrade.

### **JUSTIFICATION**

The CRA Accounting System is a vital component of the Auditor's Property Tax systems. It tracks incoming and outgoing funds to and from Community Redevelopment Agencies. As a result of a CRA lawsuit related to incorrect allocation and distribution of property tax increments to Los Angeles County redevelopment agencies, the court mandated a redesign and rewrite of the CRA Accounting System to include an

automatic distribution of CRA funds. The redesigned system would also provide for enhanced reporting capability needed by the Chief Executive Office, Auditor staff, and CRA agencies.

The project is a key component of the Auditor's Business Automation Plan (BAP) for the upcoming fiscal year. Currently, due to staff vacancies and other priority property tax processing needs, there is insufficient qualified County staff available to perform the development and maintenance tasks necessary for this project. As a result, the Auditor has been using ITSSMA contractors to supplement County staff.

The completion of this project will facilitate the Auditor's ability to track the cash flow to and from the CRAs more accurately, in accordance with the above-mentioned court mandate.

### **FISCAL IMPACT**

The Work Order amendments will add \$615,931 to the overall project and extended through September 30, 2008. The hourly rates remain the same during the extended term. Funding for these Work Orders is included in the Auditor's FY 2007-08 operating budget.

Consistent with the ITSSMA policies and procedures, we are informing your Board of our intention to amend these work orders. In two weeks time, we will request ISD to proceed with the amendments.

If you have any questions or need additional information, please contact me or have your staff contact Nancy Limm, Acting Division Chief, Systems Operations, Auditor-Controller at (213) 974-8314.

JTM:WW:GS:NL

Attachment

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Director, Internal Services Department

NOTED AND APPROVED:

  
Jon W. Fullinwider  
Chief Information Officer

10-18-07  
Date

Attachment A

Details for CRA Extension from November, 30, 2007 to September 30, 2008

<u>WO#</u>	<u>Contractor</u>	<u>Current WO Amount (through Sept 07)</u>	<u>Additional WO amount</u>	<u>Final Total WO Amount</u>
N10-0175	Pyramid Consulting	\$358,447.00	\$196,775.00	\$555,222.00
N01-0253	Inter. Adv. Corp.	\$322,058.00	\$127,680.00	\$449,738.00
N10-0153	Pyramid Consulting	\$443,838.00	\$138,821.00	\$582,659.00
N10-0154	Pyramid Consulting	<u>\$387,354.00</u>	<u>\$152,655.00</u>	<u>\$540,009.00</u>
	<b>TOTAL</b>	<b><u>\$1,511,697.00</u></b>	<b><u>\$615,931.00</u></b>	<b><u>\$2,127,628.00</u></b>